INVESTOR UPDATE

FOR

QUARTER & YEAR ENDED 31st MARCH 2010

(NSE: KPIT, BSE: 532400) **(Jan - Mar 2010)**

KEY HIGHLIGHTS

- **FY 2011 USD Revenues to achieve 25% growth over FY2010 with a PAT growth of minimum 5%.**
- **We met our upward revised PAT guidance for the year, as Net Profit for the year grew by 30% to Rs.857.31 Million.**
- **Revenue in USD terms, for the quarter increased by 8% Q-o-Q to USD 42.67 Million. In INR terms, Revenue stood at Rs. 1970.93 Million, Q-o-Q growth of 6.7%.**
- **PAT for the quarter stood at Rs.207.86 Million, a Y-o-Y growth of 7.60%.**
- **Revenues for the year stood at Rs. 7,316.41 Million, a Y-o-Y decline of 7.76%. In USD terms the revenues were $ 153.76 Million, a Y-o-Y decline of 11.68%, however the volume growth was flat for the year.**
- **EPS for the year FY2010 increased to Rs.10.97 from Rs.8.44 in FY2009.**
- **Gross Profit Margins improved by 0.41% to 44.09% for FY2010.**
- **PAT Margin for the year expanded by 3.42% Y-o-Y to 11.72% against 8.30% in FY2009.**
- **2 new customers were added during the quarter.**
- **For the year we added 13 new customers taking the total client base to 141.**

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31st MARCH 2010

- ***Revenues:***
  - Revenues for the year stood at USD 153.76 Million. In Rupee terms, revenues were Rs. 7,316.41 Million as compared to Rs. 7,931.55 Million last year. Decline in Cummins absolute revenues was Rs. 889 Million whereas the non Cummins revenues, including Sparta revenues, grew by Rs. 274 Million resulting in total absolute decline in revenues of Rs. 615 Million. Only the first quarter of the year showed a reduction in top line, where we registered a 17% QoQ decline in revenues followed by QoQ growth in the next 3 quarters of the year. Onsite revenues declined by 17.37% and the offshore revenues were flat. In volume terms the Onsite Volumes declined by 8.90% whereas the offshore volumes grew by 1.83% resulting in the overall volume growth being flat
  - Among geographies, Emerging markets continue to be the key growth driver. Our India business has grown by almost 50% during the year over FY2009. We expect this growth rate to continue in next year also. Besides India, strong growth traction is also seen across emerging markets like China, Korea, South Africa and Australia.
  - Our automotive business has shown growth except for the first quarter. We see significant improvement in this LoB and with projects coming in the emerging areas of automotive vertical. This business will continue to be at the forefront of the growth trajectory. We are also involved in more IP led work in this business.
  - There is slow recovery happening on the Manufacturing IT LoB as customers still maintain a cautious approach towards their discretionary IT spend.
  - As a conscious step towards reducing our heavy dependence on the manufacturing vertical, during the year, we have added PSU and Defense sector in our industry portfolio. In PSU, our primary offering would be Business IT Offerings package and we believe this will further strengthen our foothold in the domestic market. We have already bagged a few small deals in the PSU sector.
  - In defense space, we would provide end to end product design, engineering and IT services. This would be an extension of our embedded software work, where we would be like a one stop partner for building and implementing hi-tech and mission critical systems from design to development through system integration, maintenance and support.
  - With the acquisition of Sparta consulting, we made entry into the energy and utilities vertical during H2 FY2010 and we expect good growth in this vertical during the ensuing

year. Energy and Utilities Vertical will also help us cushion our exposure to manufacturing vertical in the next 2 – 3 years.

- ***Profitability:***
  - Our Net profit for the year increased by 30% to Rs. 857.31 Million. PAT Margin for the year improved to 11.72% against 8.30% in the year before.
  - EBITDA for the year declined by 12% to Rs. 1,614.43 Million, while EBITDA margin stood at 22.07%, a de-growth of 105 bps. The major reasons for a decline in EBIDTA margins were absolute de-growth in revenue and consolidation of lower margin onsite SAP business in Q3 and Q4. As compared to the Rs. 615 Million decline in yearly revenue, our EBIDTA declined by Rs. 218 Million.
  - However with our increased focus towards various productivity improvement measures and cost control initiatives along with the shift towards offshore revenue mix, we have been able to maintain our EBITDA margins well above 20% level for the year. These measures include more FPP based revenues, improved reuse of production assets from the repository, reduced rework efforts, increased zero defect deliveries to the customer, increased usage of automation tools, and increased customer satisfaction rating among others.
  - Forex loss for the year stood at Rs. 253 Million as compared to Rs. 574 Million last year. This reduction in the forex loss was on account of rupee appreciation and a better hedged rate as compared to last year. We should continue to see the reduction in forex loss in the next year also.

FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDED 31st MARCH 2010

- ***Revenues:***
  - During the quarter, Revenue in USD terms increased by 8% q-o-q to USD 42.67 Million. In INR terms, the revenue has shown a Q-o-Q growth of 7%, growing to Rs. 1,970.93 Million.
  - In Geography terms, out of the total Q-o-Q revenue increase, US contributed 10 %, Europe -4% and APAC 1%.
  - US markets have improved since last quarter. We have shown 17.45% growth in the US business, revenues from Sparta have been a major contributor to this growth. However, European market still lags behind and we believe the growth to come back towards the latter half of this year. Besides these traditional markets, we have also observed good

growth in the emerging geographies. Our APAC and Emerging markets have grown by 6.23% during the quarter.

- Automotive business has registered a marginal growth of 1.08% during this quarter and semiconductor has shown 18.14% growth.
- The Sparta business has been completely integrated and we have seen good traction in our SAP business during the quarter. Products/License sales are flat mainly in the developed markets, but there has been an increase in India and similar markets. Demand is coming back in the global markets especially in the engineering segments. The proposal activities have significantly improved with an improved pipeline for both IT and engineering.

- ***Profitability:***
  - ***Net profits ha***ve declined during the quarter by 2.74% to Rs. 207.86 Million. PAT margins for the quarter stood at 10.55%.
  - EBITDA has marginally declined by 1.85% Q-o-Q to Rs.386.33 Million, while the EBITDA margin for the quarter was 19.60%.
  - The realized Rate for the Qtr was Rs. 46.19 to a dollar as compared to Rs. 46.80 in the last quarter, a decline of 1.3%.
  - We continued to invest in people both at the gross margin level as well as the EBIDTA level.
  - During the quarter, we added 170 people net out of which 100 were fresh graduates who are undergoing training and getting ready for their future role in the organization.
  - This was also the first quarter of full quarter consolidation of Sparta revenues and costs where the profitability is comparatively lower.
  - Excluding the additional SGA costs due to full quarter consolidation of Sparta financials, the SGA marginally declined QoQ.

- ***Balance Sheet details (Rs. Million):***
  - The Cash Balance as at March 31, 2010 stood at Rs. 1,799.27 Million as compared to Rs. 1,813 Million as on December 31, 2009. This cash balance was after repayment of Debt to the tune of Rs. 52 Million and capex of Rs. 25 Million during the quarter.
  - As on March 31, 2010, our total debt was Rs. 1,108 Million. (Rs. 1,160 Million as of December 31, 2009) comprising of Rs. 488 Million of Term Loan and Rs. 616 Million of Working Capital Loan.
  - Forex Hedging instruments with maturity of more than 3 months and considered effective hedges in accounting terms are provided for as adjustment to the Reserves and Surplus in the Balance Sheet. As on March 31, 2010 these Hedging Reserves were Rs. 227 Million, as compared to Rs. 467 Million as of Q3FY10 end.

Balance Sheet Summary: As at (Rs. Million.)	Mar 31, 2010	Dec 31, 2009	Mar 31, 2009
Shareholders' Equity	3,871.01	3,452.25	**1,630.59**
Total Debt	1,107.74	1,159.68	**1,184.76**
Minority Interest & Deferred Tax Liability	51.15	54.16	**62.77**
Total	**5,029.90**	**4,666.08**	**2,878.12**
Fixed Assets	1,521.57	2,561.85	**1,510.33**
Investments	746.98*	590.73*	**0.31**
Goodwill on Consolidation	949.97	-	**284.69**
Current Assets	3,116.99	3,861.68	**3,896.08**
Cash Balance	1,052.29	1,222.51	**1,671.17**
Receivables	1,387.68	1,493.24	**1,775.60**
Loans & Advances	677.03	1,145.93	**449.30**
Current Liabilities	1,305.62	2,348.18	**2,813.29**
Total Net Assets	**5,029.90**	**4,666.08**	**2,878.12**

** Investments include investment of surplus cash in Liquid Funds.*

THOUGHT LEADERSHIP PROGRAM

- KPIT Cummins participated in the **10th Auto Expo 2010** in New Delhi through a booth demonstration. We got two speaking slots where we moderated an ISA conference on smart and green automobiles on the topic Electronics for Energy efficient powertrain. We also spoke on "Need for ELV regulations for India & its long term benefits".

- During the quarter, we were part of the **Auto Engineering Show at Auto Cluster Exhibition Center,** Pune. We created a booth, which showcased KPIT Cummins' SAP All-in-One solutions AUTODash and IMCDAsh.

- KPIT Cummins participated as a speaker in the **23rd International VLSI Design conference** in Bangalore. There were 100+ visitors including academicians, private and public sectors.

- Participation for the first time at the **Consumer Electronics Show (CES) 2010** at Las Vegas, USA, where we created and presented a demo (**low cost Infotainment platform**) for our customer.

- We were present at the recently held **CII National Conclave on "IT for inclusive growth"** in Kolkata. We participated as a panelist in a session on "Seizing opportunities to leverage India's potential in ICTs" discussing issues on the IT & ITES sector.

STRATEGIC DEVELOPMENT

During the quarter, KPIT Cummins has developed CLICKSERVICESMILE.com, an internet-based information system, in association with DSK Toyota. This is a significant achievement for the company as it is our first consumer based product.

This service aims to provide consumers with:

- Ability to specify the time and date for servicing.
- Accurate estimates of servicing costs include retail prices for spare parts.
- Accurate information on vehicle data and service history, assisting the sales of used cars.

- Convenient methods of payment and accurate billing information.

KPIT Cummins' industry-based approach and vertical focus strategy has led to a consumer-based product as a means to tap into domestic demand for automotive embedded software. We work with all the segments in the automotive ecosystem including OEMs, Tier Is and Semiconductor companies catering to the automotive domain. This initiative will help us in further expansion of the automotive business and will also enable to reach to the end user category i.e. the consumers, thus covering the automotive ecosystem.

R&D INITIATIVES

KPIT Cummins has been actively focused on research and development activities and improving the IP led offerings. During the fiscal year 2010, we have filed six more patents which were in the automotive and semiconductor space.

We have filed another 10 new patents in April 2010, which further demonstrates our domain expertise in the automotive work area. These new patents are in the areas of hybrid vehicle and safety features of the car like night vision and pedestrian detection system. With these new filings, the total number of patents filed till date increased to 24. Our investment in R&D efforts continued in FY10, despite a trying year otherwise. The total R&D related spend was about 1.5% of our revenue.

CUSTOMERS AND MARKETS

- 2 New customers were added during the quarter. One from India in Automotive and the other from US in Semicon. Total number of active customers stand at 141.

Automotive

- Started a **strategic Research and Development project** in **Telematics** for a leading **American automotive Tier I**. This is to develop a critical civilian application based on **Dedicated Short Range Communications technology.**
- Commenced a critical program in the area of **Lithium based battery chemistry** for an **Asian automotive Tier I**. Another **Asian automotive Tier I** have chosen KPIT Cummins for a major project on **Battery Management System.**

Industrial Equipments

- Started **Supply Chain management consulting project in Europe** for a large **Swedish equipment manufacturer.**
- Commenced a multi country, application implementation and lifecycle support program for **SAP and Non- SAP technologies for a European Energy & Utilities customer.** .
- Launched **Mobile Windows CE and Blackberry based workflow management application** for field force.

Hi-tech (Independent Software Vendors - ISVs) and Semiconductor

- Commenced **power management solutions development project** for a leading **American manufacturer of IC solutions** for analog, Ethernet and high bandwidth markets.
- Started **verification project for a complex Digital Signal Processing (DSP) based IP** for an **American world leader in electronic design automation (EDA),** supplying the global electronics market with software, IP and services used in semiconductor design and manufacturing.
- **Started a multi-year engagement with a global leader in enterprise middleware for providing high-end 24/7 support to large enterprise customers.**
- **Commenced work for a** South Africa based Software Services Provider on message aggregation.

KEY ECONOMIC DEVELOPMENTS

As we entered into 2010, there was a mixed business scenario. As seen over the past few quarters, manufacturing as an industry was the worst hit during the economic downturn and the resultant recovery in this vertical has also been slower as compared to other industry verticals esp. BFSI. Enterprise IT budgets are still tight, while there is some ease in the engineering spends. The midmarket segment remains a major growth avenue for enterprise application software, mainly in the emerging markets. The **'Small and medium business'** segment continues to drive growth in IT. Through better IT infrastructure, SME enterprises can achieve optimal value chain efficiency by streamlining the business processes and effective integration between suppliers, operations teams and business partners.

In the semiconductor segment, companies are experiencing a sudden increase in demand mainly catering to the automotive segment world-wide. This demand is further substantiated by the automotive industry's shift towards more electronics in the cars, efforts to make the car lighter in weight, smaller and more fuel efficient, and in-vehicle networking architecture for better and effective functioning of the chips which go into the car. **In 2010, Databeans projects that total automotive infotainment semiconductor revenue will reach $3.4 billion in sales and 14.4 billion units shipped worldwide.** Over the next 5 years, automotive infotainment will keep pace with the automotive semiconductor market as a whole, growing 8 percent annually in sales and 9 percent in shipments until 2015.*

"The current economic crisis has accelerated deep structural change in the automotive industry setting the stage for sustainable growth". **By 2020, consumers in emerging markets are expected to look beyond the basic vehicles and demand luxury vehicles and vehicles driven by green technologies. By 2020, electric vehicles and other green cars are expected to represent up to 1/3rd of total global sales in developed markets and up to 20% in urban areas of emerging markets.**

Government has also played a key role in driving this by ensuring that the car makers are making enough investments in making their cars more energy efficient, environment friendly as well as ensuring no compromise on the safety and security features of the car. For example the Federal Government's Advanced Technology Vehicles Manufacturing Loan Program will provide OEMs, battery and electric motor suppliers with USD 25 billion in loans to accelerate the progress of bringing alternative, low emission vehicles to the market.#

The above shifts are also aided by the transformation from mechanics to electronics. The current electronic cost is about 20% - 25% of the total cost of the car which is expected to go to 40% by 2012 and then to reach almost 50% by 2020. Most of the car makers are shifting their production and R&D centers to the emerging markets, mainly due to the low cost advantage and this further helps in better market understanding of their key demand centers. They could design and manufacture low cost cars using the cost and skill advantages for the large domestic market, and they could also source design, engineering and components for global use. **China and India are fast emerging as major design and manufacturing hubs for the OEMs and their suppliers and they are expected to soon join Western Europe, Japan, Korea and US in terms of vehicles manufactured. By 2020, it is estimated that as few as 10 volume OEM groups based in these six major markets will account for almost 90% of the global sales (Today they account for about 77% of the global sales).**

An Era of 'Conscious Consumption will emerge. Customers around the world will be more cost conscious, especially in the developing world where millions of drivers will make their first ever car purchase. In 2008 the average cars per 1000 people in the US and Europe was about 500 and the same in China was 22 where as India had the number at 11. Thus not only the production hubs will shift but the demand centers will also be concentrated in the developing economies.

The above Global changes in the Auto Industry pose tremendous opportunities for players like KPIT Cummins. With OEMs shifting their bases to low cost production countries, they will also have to look out for more and more local suppliers (both hardware and software) where local suppliers show the maturity to service the OEM requirements. KPIT has already established itself globally in this area and thus would be amongst the first ones to be benefited. Understanding the new four elements- structure, consumer, technology and people and their transition over the next decade would be the key for the OEMs as well as the vendors.

Data Source: Deloitte report "A New Era- Auto Transformation report".

Roland Berger Report on "Automotive Insights"

*http://www.electronics.ca/publications/products/Automotive-Infotainment-Semiconductors.html

BUSINESS OUTLOOK

- Looking at the recent past, for the last 2 years, we focused largely on profitability improvement through various measures which we have been sharing viz. productivity improvement, cost optimization and utilization of all assets across the organization. As a result of these measures we were able to grow our EBIDTA margins and from a mere 12.56% in FY08, the EBIDTA margins almost doubled and moved to 22% - 23%.

- In the last year, we had laid down our priorities as 1) Quality and Productivity, 2) Technology and Practices 3) Profitability and Liquidity and 4) Growth. As the year has spanned out, we believe that we have been fairly successful on all the counts except growth. During the year, we have positively altered our asset reuse, utilization of productivity tools, coverage and rating of CSAT, rework efforts, zero defect deliveries, cash position and profitability in line with our .

- We believe that it is time we prepare ourselves for Growth and invest in the right areas for that growth to come by in the next 2 -3 years. Thus Growth would be our top priority for the next fiscal and the whole organization would be tuned to this objective.

- Cummins has seen growth from its Emerging market business, however North America still remains a bit challenging. But they are willing to fund future projects which are critical for the company's long term growth plan. We believe there would not be any further de-growth in this account going into the next year. The engineering portion of business from Cummins will see marginal growth next year and thus we believe that we will be able to show some QoQ growth in Cummins account going into the next year.

- As the automotive industry structure is undergoing major changes, we believe we are well positioned to take advantage through our focused approach, end to end capabilities and technological expertise in this domain.

Our business objectives for the year ahead would be:

- **Profitable Growth**
- **Innovation**
- **People**

- **Profitable Growth :**

  Our primary growth drivers going into FY11 would be Automotive and Semicon, SAP and Emerging Markets. We will invest in front end to strengthen our sales force and also to align the sales DNA with our growth objectives. This would also involve training to the sales force.

  In preparation for profitable growth, we have worked on internal organization and business restructuring to provide an integrated approach to enterprise solutions. This will provide us opportunities to look at IT and BPO opportunities together and engineering solutions, as part of the total business operations.

- **Innovation :**

  We will also work on commercialization of the patents filed and continue our investments in our R&D efforts to come up with more innovative solutions and patents to help improve our share of non linear revenues in the total pie. IP led revenue growth would be one of the key objectives going into FY11.

- **People :**

  We continue our people priority going into FY11. Apart from continuing training and certification programs, we will also fasten our trainee / fresher intake and their movement into the lines of businesses after appropriate training. The aim of training and certification would be to identify potential leaders and work towards creating the leaders for tomorrow. We would continue to drive performance driven culture across the organization.

  With the changing business demands, we are looking forward to a practice driven organization, which would help us in our offerings development & differentiation and for improved delivery to the customer. Practices would focus on demand generation, selling and also delivering. This will further strengthen our competitive positioning in the market.

THUS WITH A WELL DEFINED GROWTH PLAN OUR FINANCIAL OUTLOOK FOR FY11

- **USD Revenue Growth of 25% in FY11 over FY10**
- **This growth would be slower in the first two quarters of FY11**
- **Profit Growth of minimum 5% in FY11 over FY10**
- **The Profit would be under pressure in the first 2 quarters of FY11**

As said in the earlier paras, we would be investing majorly in

- **Strengthening Front End, Practice, Pre Sales and SMEs**
- **R&D Initiatives**
- **People Training and Certification**

which, coupled with rupee appreciation, would lead to a lower profit growth than revenue growth in FY11.

The first 2 Quarters would be even tougher due to salary increments and fresher hiring and training. The full benefits of fresher hiring and thus employee pyramid will start flowing in from Q3 onwards coupled with strong growth leading to much improved profitability in H2 as compared with H1, of FY11.

FOREX INSTRUMENTS

- No more liabilities on the 3 derivative contracts

  Total Outstanding Hedges:
- Total amount of hedges as on 31st March 2010 : $104.95 Million
  - Maturing in next 3 months : $ 10.35 Million
  - Maturing in FY2011 : $ 50.68 Million

The average hedge rate for FY2011 is Rs. 44.75/ USD.

We have also started hedging in respective currencies on a Q-o-Q basis from this quarter.

INCOME STATEMENT FOR THE QUARTER ENDED 31st MARCH 2010

Rs. Million	Q4 FY10	Q3 FY10	Q-o-Q Growth	Q4 FY09	Y-o-Y Growth
Sales	**1,970.93**	**1,847.54**	**6.68%**	**2,097.59**	**(6.04%)**
Software Development Expenses	1,119.39	1,027.20	8.97%	1,084.62	3.21 %
Gross Profit	**851.55**	**820.34**	**3.80%**	**1,012.97**	**(15.94%)**
Selling and Marketing Expenses	166.78	181.21	(7.96%)	184.74	(9.72%)
General and Admin Expenses	298.44	245.53	21.55%	210.60	41.71%
EBITDA	**386.33**	**393.59**	**(1.85%)**	**617.63**	**(37.45%)**
Interest	4.33	12.6	(65.62%)	15.53	(71.78%)
Depreciation	79.65	81.43	(2.19%)	215.91	(63.11%)
Profit After Depn. & Int.	**302.35**	**299.56**	**0.93%**	**386.37**	**(21.75%)**
Other Income	-57.04	-46.09	23.76%	-155.27	(63.26%)
Profit Before Tax	**245.30**	**253.47**	**(3.22%)**	**231.1**	**6.15%**
Provision for Taxation	37.44	39.75	(5.82%)	38.73	(3.32%)
Profit After Tax	**207.86**	**213.72**	**(2.74%)**	**192.37**	**8.05%**
Minority Interest	-	-	-	0.81	(100%)
Profit after Minority Interest	**207.86**	**213.72**	**(2.74%)**	**193.18**	**7.60%**
Exceptional Item	-	-	-	-	-
Profit after exceptional item	**207.86**	**213.72**	**(2.74%)**	**193.18**	**7.60%**
Paid up Capital	157.05	156.11	-	156.09	-
Free Reserves	3,696.66	3,288.54	-	1,474.51	-
EPS (Rs. 2/-Face Value each)					
- Basic	2.65	2.74	(3.32%)	2.48	6.91%
- Fully Diluted	2.57	2.71	(5.24%)	2.47	4.06%
Common Size Analysis:					
Gross Profit Margin	43.21%	44.40%	-	48.29%	-
Sales & Marketing Exp / Revenue	8.46%	9.81%	-	8.81%	-
General & Admin Exp / Revenue	15.14%	13.29%	-	10.04%	-
EBITDA Margin	19.60%	21.30%	-	29.44%	-
Net Profit Margin	10.55%	11.57%	-	9.21%	-

1. *q-o-q' or 'sequential' growth refers to growth during the qtr compared to the immediately preceding quarter*
2. *'y-o-y' growth refers to the growth during the quarter as compared to the corresponding quarter of the previous year*

PERFORMANCE METRICS (QUARTER ENDED 31st MARCH 2010)

	Q4 FY10	Q3 FY10	Q-o-Q Growth	Q4 FY09	Y-o-Y Growth
Revenue Spread – Geography					
USA	67.25%	61.09%	17.45%	54.66%	15.61%
Europe	22.40%	28.53%	-16.23%	37.30%	-43.56%
Rest of World	10.34%	10.39%	6.23%	8.04%	20.87%
Revenue Spread – Verticals					
Manufacturing	78.74%	83.63%	0.45%	85.03%	-12.98%
BFSI	5.18%	7.14%	-22.56%	6.24%	-21.95%
Energy & Utilities	7.55%	3.94%	104.54%	-	-
Others	8.53%	5.30%	71.65%	8.74%	-8.42%
Revenue Spread – by LOB					
Manufacturing Business IT	56.90%	53.50%	13.46%	50.79%	5.26%
Auto Electronics	25.30%	26.70%	1.08%	29.07%	-18.23%
Semiconductor Solutions Group	5.41%	4.89%	18.14%	6.52%	-22.03%
Diversified Financial Services	4.87%	6.43%	-19.31%	6.12%	-25.25%
Global Business Solutions	7.53%	8.49%	-5.38%	7.50%	-5.65%
Customer details					
No. of Customers Added	2	2	-	2	-
No. of STAR Customers	28	26	-	26	-
No. of Active Customers	141	139	-	128	-
Customers with run rate of >$1Mn	32	27	-	28	-
Top Client – Cummins	24.87%	30.63%	-13.38%	33.26%	-29.74%
Star Customers – Non Cummins	39.49%	41.17%	2.31%	46.49%	-20.20%
Top 10 Client Billing	48.52%	58.03%	-	65.84%	-
Repeat Business	90%+	90%+	-	90%+	-
Onsite / Offshore Split					
Onsite Revenues	44.25%	37.10%	27.25%	43.39%	-4.19%
Offshore Revenue	55.75%	62.90%	-5.45%	56.61%	-7.46%
Revenue by Contract Type					
Time and Material Basis	69.63%	65.61%	13.22%	74.11%	-11.72%
Fixed Price / Time Basis	30.37%	34.39%	-5.79%	25.89%	10.24%
Debtors (days)	66	71	-	69	-

	Q4 FY10	Q3 FY10	Q-o-Q Growth	Q4 FY09	Y-o-Y Growth
Human Resources – Details					
Development Team – Onsite (Avg)	549	515	-	561	-
Development Team - Offshore(Avg)	3,803	3,708	-	3,673	-
Onsite FTE	489	458	6.77%	534	-8.43%
Offshore FTE	2,748	2,676	2.69%	2,623	4.77%
Total FTE	3,237	3,134	3.29%	3,157	2.53%
Development (at Qtr end)	4,478	4,332	-	4,168	-
Gen Mgmt / Support (at Qtr end)	380	359	-	357	-
Marketing (Subsidiaries) (at Qtr end)	60	58	-	51	-
Total (at Qtr end)	4,918	4,749	-	4,576	-
Onsite utilization	89.12%	88.88%	-	95.24%	-
Offshore utilization	72.25%	72.17%	-	71.41%	-

INCOME STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

Rs. Million	FY 2010	FY 2009	Y-o-Y Growth
Sales	**7316.41**	**7931.55**	**(7.76%)**
Software Development Expenses	4090.50	4467.20	(8.43%)
Gross Profit	**3225.91**	**3464.34**	**(6.88%)**
Selling and Marketing Expenses	663.73	687.54	(3.46%)
General and Admin Expenses	947.75	943.25	0.48%
EBITDA	**1614.43**	**1833.55**	**(11.95%)**
Interest	27.41	45.47	(39.71%)
Depreciation	308.04	436.46	(29.42%)
Profit After Depn. & Int.	**1278.98**	**1351.62**	**(5.37%)**
Other Income	-252.53	-573.59	(55.99%)
Profit Before Tax	**1026.45**	**777.83**	**31.96%**
Provision for Taxation	169.14	119.67	41.34%
Profit After Tax	**857.31**	**658.16**	**30.26%**
Minority Interest	-	0.35	-
Profit after Minority Interest	**857.31**	**658.52**	**30.19%**
Exceptional Item	-	-	-
Profit after exceptional item	**857.31**	**658.52**	**30.19%**
Paid up Capital	157.05	156.09	-
Free Reserves	3696.66	1474.51	-
EPS (Rs. 2/-Face Value each)			
- Basic	10.97	8.44	29.98%
- Fully Diluted	10.8	8.41	28.42%
Common Size Analysis:			
Gross Profit Margin	44.09%	43.68%	-
Sales & Marketing Exp / Revenue	9.07%	8.67%	-
General & Admin Exp / Revenue	12.95%	11.89%	-
EBITDA Margin	22.07%	23.12%	-
Net Profit Margin	11.72%	8.30%	-

PERFORMANCE METRICS FOR THE YEAR ENDED 31st MARCH 2010

	FY2010	FY2009	Y-o-Y Growth
Revenue Spread - Geography			
USA	60.36%	55.17%	0.91%
Europe	30.06%	35.86%	-22.67%
Rest of World	9.58%	8.97%	-1.45%
Revenue Spread - Verticals			
Manufacturing	82.80%	87.24%	-12.45%
BFSI	6.78%	5.73%	9.29%
Energy & Utilities	3.03%	-	-
Others	7.39%	7.04%	-3.16%
Revenue Spread - by LOB			
Manufacturing Business IT	53.39%	52.18%	-5.61%
Auto Electronics	26.11%	28.14%	-14.42%
Semiconductor Solutions Group	5.65%	6.97%	-25.21%
Diversified Financial Services	6.55%	5.54%	8.88%
Global Business Solutions	8.31%	7.17%	6.85%
Customer details			
No. of Customers Added	13	17	-
No. of STAR Customers	28	26	-
No. of Active Customers	141	128	-
Customers with run rate of >$1Mn	32	28	-
Top Client - Cummins	30.18%	38.99%	-28.59%
Star Customers - Non Cummins	44.52%	43.35%	-5.27%
Top 10 Client Billing	58.06%	66.98%	-
Repeat Business	90%+	90%+	-
Onsite / Offshore Split			
Onsite Revenues	40.21%	44.90%	-17.37%
Offshore Revenue	59.79%	55.10%	0.08%
Revenue by Contract Type			
Time and Material Basis	69.77%	82.86%	-21.76%
Fixed Price / Time Basis	30.23%	17.74%	57.17%
Debtors (days)	66	69	-

	FY 2010	FY 2009	Y-o-Y Growth
Human Resources - Details			
Development Team – Onsite (Avg)	559	599	-
Development Team - Offshore(Avg)	3,753	3,674	-
Onsite FTE	512	562	-8.90%
Offshore FTE	2,674	2,626	1.83%
Total FTE	3,186	3,188	-0.06%
Development (at yr end)	4,478	4,168	-
Gen Mgmt / Support (at yr end)	380	357	-
Marketing (Subsidiaries) (at yr end)	60	51	-
Total (at yr end)	4,918	4,576	-
Onsite utilization	91.63%	93.81%	-
Offshore utilization	71.24%	71.49%	-

CONFERENCE CALL DETAILS

Conference name	**:**	**KPIT Cummins Q4 FY2010 Conference Call**
Date	**:**	**Monday, 10th May 2010**
Time	**:**	**1600 Hrs (IST)**
Dial-in numbers	**:**	**Primary : +91 22 2598 3200**
		Standby : +91 22 6608 5000
		Toll Free : 1-800-22-7129/ 1-800-209-7129

About KPIT Cummins Infosystems Ltd.

KPIT Cummins Infosystems Limited (BSE: 532400; NSE: KPIT), a trusted global IT Consulting and product engineering partner, is focused on co-innovating domain intensive technology solutions for Manufacturing corporations (with special focus on Automotive, Hi-Tech & Industrials verticals) to help its customers become efficient, integrated and innovative enterprises.

A leader in technology solutions and services, KPIT Cummins currently partners with 100+ global Manufacturing corporations including 50+ Original Equipment Manufacturers (OEMs), semiconductor companies and Tier 1s, helping them globalize efficiently & bring complex technology products/ systems faster to their global markets. Please visit www.kpitcummins.com for more information.

Forward Looking Statements

Some of the statements in this update that are not historical facts are forward-looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

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